

Wade & Perry, CPAs APAC**116 N. Pinecrest Drive****Ruston, LA 71270****318-251-2196****ACCOUNTANTS' COMPILATION REPORT**

To the Mayor and Board of Aldermen
Village of Bienville
PO Box 207
Bienville, LA 71008

We have compiled the accompanying balance sheet of Village of Bienville – General Fund and Water Fund as of June 30, 2013, and the related statements of income for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The Village management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements. During our compilation, we did become aware of departures from accounting principles generally accepted in the United States of America that is described in the following paragraphs.

The Village did not adopt the provisions of applicable Governmental Accounting Standards Board Statements for the year ended June 30, 2013. The effects of this departure from generally accepted accounting principles have not been determined. Because the significance and pervasiveness of the matters discussed above makes it difficult to assess their impact on the financial statements taken as a whole, users of these financial statements should recognize that they might reach different conclusions about the government's financial position, results of operations, and cash flows if they had access to revised financial statements prepared in conformity with generally accepted accounting principles.

The Village has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Village's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Wade & Perry
Wade & Perry, CPAs APAC

April 15, 2014

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date MAY 21 2014

Village of Bienville - General
Balance Sheet
As of June 30, 2013

	<u>Jun 30, 13</u>
ASSETS	
Current Assets	
Checking/Savings	
102 · Cash in Bank - General	230,548.77
103 · Cash in Bank - Special	3,555.56
105 · GB&T - CD # 32712	79,996.48
106 · GB&T - CD # 32714	79,996.48
Total Checking/Savings	<u>394,097.29</u>
Other Current Assets	
109 · Accounts Receivable	679.93
110 · Due from Water	23,314.98
115 · Prepaid Insurance	768.00
Total Other Current Assets	<u>24,762.91</u>
Total Current Assets	<u>418,860.20</u>
TOTAL ASSETS	<u><u>418,860.20</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
201 · Accounts Payable	9,681.87
210 · Payroll Taxes Payable	-121.42
211 · Accrued Payroll	1,939.50
Total Other Current Liabilities	<u>11,499.95</u>
Total Current Liabilities	<u>11,499.95</u>
Total Liabilities	11,499.95
Equity	
3900 · Fund Balance	239,927.33
3901 · F/B-Residual Equity Transfer	135,322.88
Net Income	32,110.04
Total Equity	<u>407,360.25</u>
TOTAL LIABILITIES & EQUITY	<u><u>418,860.20</u></u>

Village of Bienville - General
Statement of Income
July 2012 through June 2013

	<u>Jul '12 - Jun 13</u>
Ordinary Income/Expense	
Income	
401 · Taxes - Ad Valorem	47,771.33
407 · Entergy Franchise	3,150.77
408 · Atmos Energy Franchise	724.12
421 · Taxes - Beer	2,421.29
424 · Interest Income	798.06
426 · Grant Income	0.00
428 · Insurance Prem. Income	8,618.69
Total Income	<u>63,484.26</u>
Expense	
656 · Salaries	3,600.00
700 · Alderman & Mayor	1,680.00
702 · Payroll Tax Expense	279.00
703 · Utilities	8,269.06
719 · Postage	90.00
722 · Telephone	1,023.50
723 · Accounting	3,000.00
726 · Legal & Professional	3,600.00
728 · Repairs & Maintenance	936.78
729 · Audit	5,122.50
741 · Insurance - General	3,431.68
750 · Office Supplies	332.81
761 · Miscellaneous Expense	8.89
Total Expense	<u>31,374.22</u>
Net Ordinary Income	<u>32,110.04</u>
Net Income	<u><u>32,110.04</u></u>

See accountants' compilation report.

Village of Bienville - Water Fund
Balance Sheet
As of June 30, 2013

	<u>Jun 30, 13</u>
ASSETS	
Current Assets	
Checking/Savings	
1001 - Cash in Bank - Operating	16,810.17
1004 - Cash - Waterworks Rev. CD	<u>6,006.66</u>
Total Checking/Savings	22,816.83
Other Current Assets	
1201 - Accounts Receivable	<u>2,092.03</u>
Total Other Current Assets	<u>2,092.03</u>
Total Current Assets	24,908.86
Fixed Assets	
1400 - Land	300.00
1500 - Property, Plant & Equipment	188,432.29
1550 - Accumulated Depreciation	<u>-133,457.88</u>
Total Fixed Assets	<u>55,274.41</u>
TOTAL ASSETS	<u><u>80,183.27</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2001 - Accounts Payable	5,562.59
2100 - Accrued Payroll	-0.25
2101 - Payroll Taxes Payable	905.97
2220 - Customer Deposits	7,010.00
2250 - Due to other funds	<u>23,314.98</u>
Total Other Current Liabilities	<u>36,793.29</u>
Total Current Liabilities	<u>36,793.29</u>
Total Liabilities	36,793.29
Equity	
3900 - Retained Earnings	35,426.27
3950 - Contributed Capital	300.00
Net Income	<u>7,663.71</u>
Total Equity	<u>43,389.98</u>
TOTAL LIABILITIES & EQUITY	<u><u>80,183.27</u></u>

See accountants' compilation report.

Village of Bienville - Water Fund
Statement of Income
July 2012 through June 2013

	<u>Jul '12 - Jun 13</u>
Ordinary Income/Expense	
Income	
4001 · User Fees	24,860.36
4004 · Grant Income	25,000.00
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Total Income	49,860.36
Expense	
5001 · Wages	14,400.00
5002 · Office Expense	866.73
5003 · Maintenance & Repairs	8,651.17
5005 · Depreciation	4,940.42
5006 · Utilities	3,765.65
5009 · Telephone	2,654.92
5010 · Payroll Taxes	1,113.53
5011 · Bank Charges	79.00
5012 · Chemicals	1,429.10
5014 · Penalties & Interest	18.19
5015 · Licenses, Fees, & Permits	2,160.96
5016 · Dues & Subscriptions	250.00
6520 · Refund Meter Deposit	0.00
6561 · Professional Fee	392.00
6565 · Repairs	1,404.56
6568 · Travel Expense	105.09
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Total Expense	42,231.32
Net Ordinary Income	7,629.04
Other Income/Expense	
Other Income	
4002 · Interest Income	34.67
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Total Other Income	34.67
Net Other Income	34.67
Net Income	<hr/> <u>7,663.71</u>

Village of Bienville
Schedule of Findings
For the Year Ended June 30, 2013

- 2013-1. Lack of segregation of duties - Due to limited personnel, the Village does not have an adequate segregation of duties regarding its accounting and reporting system to maintain a complete system of internal control.

Recommendation: We do not recommend that it would be cost effective for the Village to hire additional personnel to resolve this problem. We believe the Village has taken all possible steps by requiring dual signatures and other separation of duties between personnel to ensure that internal controls are maintained as effectively as is possible with limited staff.

- 2013-2. Village management has failed for two consecutive years to adopt a budget as required by state law.

Recommendation: Village management should strictly comply with the Local Government Budget Act (LGBA). The board of alderman and mayor should immediately work out a compromise to pass/adopt the general fund budget for the current fiscal year ending June 30, 2014.

- 2013-3. Records indicate that the Village incurred expenditures/liabilities in the prior fiscal year that exceeded the 50 percent appropriation limitation specified in the LGBA.

Recommendation: The board of alderman and mayor should strictly comply with all provisions of the Local Government Budget Act (LGBA), including ensuring the Village does not incur expenditures/liabilities that are in excess of the legal limitation.

- 2013-4. Controls over the Village's Utility System operations are inadequate, as follows:

- No written policies and procedures for all operations
- Clerk works out of her home and does not have a regular work schedule at Village Hall
- Utility payments not always collected at Village Hall
- Clerk not covered by fidelity bond insurance
- Utility collections not deposited daily
- Customer meter deposits recorded in the utility billing system were not reconciled/agreed to related bank/CD balances on a monthly basis
- Mayor's approval was not documented for all utility billing adjustments made on customer accounts
- Gallons of water produced not reconciled monthly to the gallons of water billed to customers

- Inadequate segregation of accounting duties (e.g., Village clerk collects payments, records payments into the utility billing system, and records billing adjustments to customer accounts) and lack of adequate oversight of the clerk's work
- Village clerk and utility superintendent do not prepare time sheets to account for their time and attendance at work

Recommendation: The mayor and board of aldermen should work together to develop and implement controls over all of these areas to ensure that utility system operations are conducted with appropriate checks and balances.

- 2013-5. Late submission of compilation report. The compilation report for the village was not completed in time to meet the required deadline due to the village's lack of producing the financial records to the independent reviewers.

Recommendation: The Village should strive to have all adequate accounting records completed in a timely manner in order for the submission of its financial report each year to comply with requirements with the Legislative Auditor's Office and any grantor agencies. In the future, the Village should maintain adequate accounting records necessary to complete the required financial statements to meet the deadline.

VILLAGE OF BIENVILLE
PO BOX 207
BIENVILLE, LA 71028

CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2013

Village of Bienville hereby submits the following corrective action plan as referenced in the Schedule of Findings:

- 2013-1. Management is aware of the problem of segregation of duties and will continue to develop and implement internal control procedures to offset this inherent problem associated with being a small entity. We have implemented a computerized bookkeeping system to help us maintain control over financial records and an outside accountant posts to the general ledger.
- 2013-2. A General Fund budget for the year ended June 30, 2014 was introduced in the November 18, 2013 meeting. Management adopted the General Fund budget in the December 2, 2013 meeting.
- 2013-3. A General Fund budget for the year ended June 30, 2014 was introduced in the November 18, 2013 meeting. Management adopted the General Fund budget in the December 2, 2013 meeting.
- 2013-4. 1) Management has informal written procedures for the Utility system. Management will research the Legislative Auditor's website for a more detailed written policies and procedures manual.
- 2) The Clerk has a set work schedule at Village Hall as set by Management.
- 3) Utility payments are mailed to a post office box. The clerk collects all payments from the post office weekly and by the due date of each month.
- 4) The Clerk is now covered by fidelity bond insurance.
- 5) Utility collections are deposited weekly as the post office box is checked. It is not financially feasible to pay the Clerk to drive to the bank daily which is approximately 16 miles away.
- 6) Customer meter deposits will be reconciled/agreed to related bank/CD balances on a monthly basis by the outside accountant.
- 7) Currently the Mayor approves all utility billing adjustments made on customer accounts.
- 8) The Utility Superintendent provides the gallons pumped to the Clerk who will reconcile to the gallons of water billed on a monthly basis.
- 9) Management has determined it would not be cost beneficial to hire additional personnel to segregate duties. Management will review the Clerk's accounting duties periodically and will request reports to be presented at board meetings.

10) Both the Clerk and Utility Superintendent are paid on a salary basis; therefore a time sheet is not prepared.

2013-5. The Mayor and Board of aldermen have accepted their fiduciary responsibility to properly administer and manage the fiscal affairs of the Village. The Mayor and Board of aldermen have compromised on their issues concerning the budget and plan to move forward proactively.

Village of Bienville
Summary of Prior Year Findings
For the Year Ended June 30, 2013

A. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

2012-1. Lack of segregation of duties

Status: Unresolved - see 2013-1

2012-2. Internal control inadequate - documentation not provided regarding budgets

Status: Unresolved - see 2013-2

B. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

None

C. MANAGEMENT LETTER

None